



**STATE OF NEW JERSEY**

***Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102  
www.bpu.state.nj.us***

**CABLE TELEVISION**

**ORDER ADOPTING  
INITIAL DECISION**

IN THE MATTER OF THE APPLICATION )	BPU DOCKET NO. CR02110838
OF CABLEVISION OF NEWARK )	OAL DOCKET NO. CTV 9752-02
FILING FCC FORM 1240 TO UPDATE )	
THE BASIC CABLE TELEVISION RATE )	
FOR INFLATION, CHANGES IN )	
EXTERNAL COSTS AND CHANNEL )	
ADDITIONS AND DELETIONS )	
IN THE MATTER OF THE APPLICATION )	BPU DOCKET NO. CR02110843
OF CABLEVISION OF )	OAL DOCKET NO. CTV 9756-02
ROCKLAND/RAMAPO, MAHWAH )	
FILING FCC FORM 1240 TO UPDATE THE) )	
BASIC CABLE TELEVISION RATE FOR )	
INFLATION, CHANGES IN EXTERNAL )	
COSTS AND CHANNEL ADDITIONS )	
AND DELETIONS )	
IN THE MATTER OF THE APPLICATION )	BPU DOCKET NO. CR02110844
OF CABLEVISION OF )	OAL DOCKET NO. CTV 9753-02
ROCKLAND/RAMAPO, MONTVALE FILING) )	
FCC FORM 1240 TO UPDATE THE BASIC )	
CABLE TELEVISION RATE FOR )	
INFLATION, CHANGES IN EXTERNAL )	
COSTS AND CHANNEL ADDITIONS AND )	
DELETIONS )	

IN THE MATTER OF THE APPLICATION )	BPU DOCKET NO. CR02110845
OF CABLEVISION OF WARWICK, INC. )	OAL DOCKET NO. CTV 9754-02
WEST MILFORD FILING FCC FORM 1240 )	
TO UPDATE THE BASIC CABLE )	
RATE FOR INFLATION, CHANGES IN )	
EXTERNAL COSTS AND CHANNEL )	
ADDITIONS AND DELETIONS )	
IN THE MATTER OF THE APPLICATION )	BPU DOCKET NO. CR02110846
OF CSC TKR, INC. d/b/a CABLEVISION )	OAL DOCKET NO. CTV 9755-02
OF ELIZABETH FILING FCC FORM 1240 )	
TO UPDATE THE BASIC CABLE )	
TELEVISION RATE FOR INFLATION, )	
CHANGES IN EXTERNAL COSTS AND )	
CHANNEL ADDITIONS AND DELETIONS )	
IN THE MATTER OF THE APPLICATION )	BPU DOCKET NO. CR02110847
OF CSC TKR, INC. d/b/a CABLEVISION OF )	OAL DOCKET NO. CTV 9778-02
RARITAN VALLEY FILING FCC FORM )	
1240 TO UPDATE THE BASIC CABLE )	
TELEVISION RATE FOR INFLATION, )	
CHANGES IN EXTERNAL COSTS AND )	
CHANNEL ADDITIONS AND DELETIONS )	
IN THE MATTER OF THE APPLICATION )	BPU DOCKET NO. CRO2110848
OF CSC TKR, INC. d/b/a CABLEVISION )	OAL DOCKET NO. CTV 9776-02
OF MORRIS FILING FCC FORM 1240 TO )	
UPDATE THE BASIC CABLE TELEVISION )	
RATE FOR INFLATION, CHANGES IN )	
EXTERNAL COSTS AND CHANNEL )	
ADDITIONS AND DELETIONS )	
IN THE MATTER OF THE APPLICATION )	BPU DOCKET NO. CR02110849
OF CSC TKR, INC. d/b/a CABLEVISION OF )	OAL DOCKET NO. CTV 9777-02
HAMILTON FILING FCC FORM 1240 TO )	
UPDATE THE BASIC CABLE TELEVISION )	
RATE FOR INFLATION, CHANGES IN )	
EXTERNAL COSTS AND CHANNEL )	
ADDITIONS AND DELETIONS )	
IN THE MATTER OF THE APPLICATION )	BPU DOCKET NO. CR02110850
BY CABLEVISION SYSTEMS )	OAL DOCKET NO. CTV 9560-02
CORPORATION FOR APPROVAL OF AN )	
AGGREGATE FILING OF FCC FORM 1205 )	
TO UPDATE REGULATED EQUIPMENT )	
AND INSTALLATION CHARGES )	

(SERVICE LIST ATTACHED)

BY THE BOARD:

On November 1, 2002, Cablevision Systems Corporation (Cablevision) filed eight Federal Communications Commission (FCC) Forms 1240 and an aggregated Form 1205 with the Board of Public Utilities (Board) for the purpose of adjusting maximum permitted rates (MPR's) for basic service and regulated equipment and installation costs. In addition to the systems listed above, the FCC Form 1205 aggregate filing included the following systems: Cablevision of New Jersey, Inc. d/b/a Cablevision of Bayonne, Cablevision of Hudson County, Inc., Cablevision of Monmouth Inc., Cablevision of New Jersey (Bergen), Cablevision of Oakland, LLC., Cablevision of Paterson. LLC.

The Board is the local franchising authority in New Jersey and is certified to regulate basic service rates and associated equipment and installation rates.

Cable operators who choose the FCC Form 1240 methodology can adjust their Basic Service Tier (BST) rates once per year to reflect quantified changes in external costs, inflation and the number of regulated channels that are projected for the 12 months following the rate change. FCC Form 1205 is the form used by cable operators to update their regulated rates for equipment, such as converters and remotes, and customer installations.

On November 27, 2002, the above filings were transmitted to the Office of Administrative Law (OAL) for determination and initial disposition.

On February 14, 2003, a pre-hearing conference was held and attended by Cablevision, the Division of the Ratepayer Advocate (Ratepayer) and the Board's Staff (collectively, the Parties). The preliminary hearings for these filings were set for June 12, 13 and 16, 2003.

Cablevision has refunded, prior to Board approval, \$12,449.12 including accrued interest to subscribers in the West Milford system, as evidenced by Cablevision's August 21, 2003 certification of refund.

On June 5, 2003, the parties began settlement discussions. Consequently, Administrative Law Judge (ALJ) William Gural adjourned the hearings scheduled for June 12, 13 and 16, 2003.

On August 7, 2003, after extensive discovery and a series of settlement negotiations, the Parties reached an agreement and executed a Stipulation of Settlement (Stipulation), memorializing the agreement.

On August 12, 2003, ALJ William Gural filed his Initial Decision with the Board, which recommended that the Stipulation be approved. ALJ Gural found that the parties have voluntarily agreed to the settlement and that the settlement is consistent with the law and fully disposes of all issues in controversy. The ALJ also found that the stipulated rates are just and reasonable and in compliance with N.J.S.A. 48:5A-11. The ALJ, therefore, concluded that the Stipulation met the requirements of N.J.A.C. 1:1-19.1.

Cablevision notified its customers of rate changes on May 14 and 15, 2003 by way of newspaper announcements informing them of their opportunity to submit written comments to ALJ William Gural for a period of thirty (30), or until June 13 and 14, 2003. As of this date, no comments have been received.

The Board has reviewed the Stipulation and Initial Decision and FINDS them to be reasonable, in the public interest and in accordance with the law. Therefore, the Board HEREBY ADOPTS the Stipulation of Settlement and Initial Decision (attached hereto) as its own, incorporating by reference the terms and conditions herein as if fully set forth at length herein.

The Board hereby approves, nunc pro tunc, refunds of \$12,449.19, including accrued interest, to subscribers in the West Milford system.

The Board HEREBY ORDERS THAT petitioner shall account for the difference between the higher Basic Service Tier (BST) rates that existed from February 1, 2003 to July 31, 2003 and the lower August 1, 2003 Stipulation rates, in the true-up process of subsequent 1240 filings. Cablevision of Raritan shall use \$12.15 as its lower August 1, 2003 rate in subsequent 1240 filings.

The Board FURTHER ORDERS that Cablevision shall, within thirty (30) days of the date of the Order:

1. Adjust all rates, filed tariffs and customer billings not heretofore changed pursuant to the terms of the Stipulation, to comport with the Settlement rates, or such lower rates as heretofore enacted.
2. Submit a Refund Liability Schedule verified by an Officer of the Corporation, qualified to verify, which details, by system and total, all rates charged in excess of the Settlement Rates on or after August 1, 2003, and verified proof of the number of customers or activities so charged, the per incident and total refund, plus compounded interest, through the date of distribution.

The Board HEREBY DIRECTS Cablevision to issue all refunds required pursuant to its verified Refund Liability Schedule no later than sixty (60) days of the date of this Order. Cablevision shall inform its subscribers of the reason of the refunds, and designate all such refunds as "BPU Refund" on subscribers' bills.

Cablevision, within ten days of the payment of the refunds to subscribers, is HEREBY ORDERED to notify the Board, in writing, of the date(s) said refunds were paid and the amounts refunded. The Board FURTHER ORDERS that Cablevision, within ten days of effectuating the entire refund to its subscribers, certify in writing to the Office of Cable Television that the refunds have been completed and provide a final accounting by system of all such refunds by docket.

The Board FURTHER ORDERS that should these cable systems, or any part thereof, merge and/or migrate to another system, be upgraded and/or rebuilt, its ownership or control be otherwise sold or transferred to another entity, the basic service tier rate that will be eliminated or superseded as a result of the merger, migration, upgrade, rebuild, sale or transfer must be "trued-up" [47 C.F.R. § 76.922 (e) (3)]. The final true-up for the affected systems, or any parts thereof, should be calculated on FCC Form 1240 and begin where the last true-up period ended on its prior FCC Form 1240. This true-up calculation should be filed with the Board when all the affected subscribers are being charged the rate resulting from the merger, migration, upgrade, rebuild, sale or transfer and may be filed in conjunction with the annual rate adjustment cycle (Form 1240) established as a result of said merger, migration, upgrade, rebuild, sale or transfer.

The cable systems, or any part thereof, may be subsequently deregulated as a result of a finding by the Board, the FCC or other party of competent jurisdiction, that these systems, or

any portion thereof, is subject to effective competition. Should that be the case, the last basic service rate established as a result of a prior FCC Form 1240, or such subsequent rate calculation method as may be heretofore adopted by the Board, the FCC or any other party of competent jurisdiction, prior to the deregulation of any rate that is now or may in the future be subject to the Board's jurisdiction, must be true-up for the period of time that the affected rates were subject to regulation by the Board.

The above referenced true-up procedure does not exclude any cable system party to this order.

DATED: September 11, 2003

BOARD OF PUBLIC UTILITIES  
BY:

(signed)

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JEANNE M. FOX  
PRESIDENT

(signed)

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FREDERICK F. BUTLER  
COMMISSIONER

(signed)

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CAROL J. MURPHY  
COMMISSIONER

(signed)

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CONNIE O. HUGHES  
COMMISSIONER

(signed)

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JACK ALTER  
COMMISSIONER

ATTEST:

(signed)

KRISTI IZZO  
SECRETARY